

TRANSMITTAL SLIP		DATE 1 .9/83	
TO: ADDA			
ROOM NO.	BUILDING		
REMARKS: DDA and EO/DDA have been provided with a copy.			
FROM: SSA/DDA			
ROOM NO.	BUILDING	EXTENSION	

FORM NO. 241
1 FEB 55

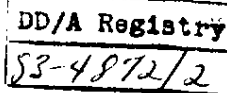
REPLACES FORM 36-8
WHICH MAY BE USED.

(47)

Central Intelligence Agency



Washington, D. C. 20505



Mr. William F. McDade
Deputy Director of Transportation
Office of Federal Supply and Services
General Services Administration
Washington, D. C. 20406

30-7

Dear Mr. McDade:

Pursuant to recent conversations with [redacted] of my staff, I am forwarding for your consideration our thoughts and suggestions concerning the recent amendments to the relocation provisions of Title 5 of the United States Code contained in Section 118 of the Fiscal Year 1984 Continuing Resolution (H.J. Res. 413). We appreciate this opportunity to comment on the new bill and hope you will find our suggestions helpful. We are prepared to assist you and your staff in this challenging endeavor.

STAT

Based upon our experience, we believe that the amendments to Title 5 only partially remedy the increasing disparity between actual expenses incurred by our employees and the amounts authorized for reimbursement. Also there still remains a substantial difference between the private and public sector. Consequently, we recommend that these amendments be implemented to permit the maximum reimbursement possible while still maintaining flexibility so that agency and department heads may administer these provisions consistent with their own divergent mission requirements. In some cases, these amendments will only involve the substitution of new numerical limits. On the other hand, we believe the amendments authorizing the new benefits of tax reimbursement and contracts for relocation services will require substantial new regulations. The resulting implementing regulations will determine to what degree the federal employees will be made whole on domestic moves.

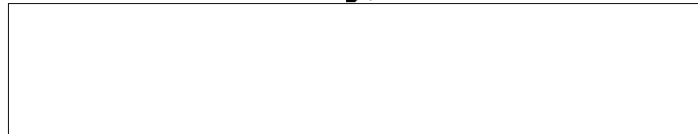
As reflected in the enclosed proposed modifications, we recommend that the tax reimbursement provision be written to permit payment of all taxes. When an agency determines that it will pay the taxes incurred, we recommend that the agency reimburse all subsequent taxes that accrue as a result of tax reimbursement. This total tax amount may be easily calculated using an industry-recognized "gross-up" formula, an example of which is contained in our proposed modifications.

Clearly, the most challenging modification to implement concerns the new authority to contract for relocation services. We recommend a three-tier structure that maximizes flexibility and yet controls costs. First, the General Services Administration should enter into a limited number of contracts

with organizations providing relocation services so that individual agencies may take advantage of standardized contract terms and favorable government rates. Second, individual agencies should also be authorized to enter into their own contracts for relocation services. Finally, we believe the implementing regulations should clearly indicate that an individual employee may select between the various authorized government contractors offering relocation services or may choose not to use any such service at all.

In closing, I again offer the services of my staff to answer any questions you may have about our suggestions or to assist you in any other way possible.

Sincerely,



/s/ Robert W. Magee
Director of Personnel

STAT

Enclosure

Page Denied

Next 2 Page(s) In Document Denied